

**COPY**

Interagency Agreement No.  
DE-A107-89ID12865

ADDENDUM 5

DATED October 19, 1999

TO THE

INTERAGENCY AGREEMENT

TITLED

"MEMORANDUM OF UNDERSTANDING BETWEEN

THE

DEPARTMENT OF ARMY (DA) AND DEPARTMENT OF ENERGY (DOE)"

DATED FEBRUARY 5, 1985

"WORKSCOPE FOR THE HEAVY ARMOR PROGRAM"

Interagency Agreement Between  
the  
U. S. Department of Army  
Abrams Program Office  
and the  
U. S. Department of Energy  
Idaho Operations Office

**I. PURPOSE**

This Agreement, upon acceptance by the Department of Army (DA) and the Department of Energy (DOE), becomes Addendum 5 to the Memorandum of Understanding effective on February 5, 1985 and hereby revises, replaces and supersedes Addendum 4 dated November 5, 1995. Addendum 5 becomes effective, in its entirety, upon the date of execution by both parties. The parties hereby agree, except to the extent addressed and carried forward in Addendum 5, that all tasks previously identified in Addendum 4, and its modifications, have been fully funded and have been completed to the satisfaction of the parties.

**II. AUTHORITY**

Authority to enter into this Agreement is the Economy Act of 1932, as amended, (31 U.S.C. 1535).

**III. SCOPE OF WORK**

For the period as hereinafter set forth, the DA and the DOE shall furnish all the items necessary for, or incident to, the performance of the specific tasks herein identified and established by mutual consent of the parties or added by written modifications to this Agreement.

**A. Specifically, the Department of Army, Abrams Project Management Office (PMO), will:**

1. Provide the necessary funding to DOE for accomplishment of all activities related to the Abrams Heavy Armor Program, including but not limited to, product, facilities, equipment, decommissioning and decontamination of facilities and equipment, contract termination, close out, disposal of program related information scrap and waste, and environmental cleanup and liabilities resulting from Army dedicated use facilities, and joint use facilities to the extent that Army work is a causal factor.

Such funding shall be on a full cost recovery basis, excluding depreciation, but including DOE's Federal Administrative Charge in accordance with DOE

policy and direction, as amended. DOE shall notify PMO Abrams of any such amendments.

2. Provide technical specifications for procurement of depleted uranium billets.
3. Define delivery requirements for Armor Packages in a timely manner to permit planning for acquisition of materials, facilities and services.
4. Provide instructions for disposing or excessing of equipment no longer needed for production of Heavy Armor components.
5. Provide technical specifications for the armor package in the form of a "Requirements Document" (RD02, Rev. 1), hereinafter referred to as the Technical Data Package (TDP). The TDP will include definitive information for final product units in the form of drawings and specifications, a description of the general manufacturing processes and a definition of product quality requirements.
6. Be responsible for Product Configuration Management.
7. Provide technical specifications for the procurement of shielding components. These specifications shall include drawings and material physical and chemical requirements sufficient for the DOE to execute the procurement.
8. Provide written authorization and scopes of work for all DA funded activities.
9. Retain title to and ownership of all depleted uranium metal inventories associated with the Heavy Armor Program.
10. Accept title to and ownership of finished product units and test assemblies upon receipt of delivery at destination.
11. Accept nuclear material accountability upon receipt of material from the Idaho National Engineering and Environmental Laboratory (INEEL).
12. Participate in the DOE Cost Plus Award Fee (CPAF) process, as desired, by reviewing the CPAF Performance Evaluations for the Abrams Program work, providing comments/input, and/or attending presentations to the Award Fee Board/Fee Determination Official.
13. Participate in the DOE Performance Incentive process, as desired, by reviewing the Performance Incentive Evaluations for the Abrams Program work, providing comments/input.
14. DA is responsible for providing to DOE the scope of work for this project. DA will have the opportunity to review and comment upon the terms of that

portion of the contract pertaining to the DA's scope of work to ensure that it satisfactorily meets DA's requirements.

15. Determine that periodic performance testing of finished product units is acceptable prior to shipment of product from DOE to the Lima Army Tank Plant. If units meet TDP requirements but fail periodic performance testing, the Abrams Program Office shall establish a course of action regarding disposition of units already produced as well as changes to be made on future units.

In addition to items 1 through 15 above, PM Abrams may establish, with DOE concurrence, resident technical representatives at the DOE INEEL site. Duties and responsibilities of the resident technical representatives shall be jointly agreed to by both DOE and the PM.

**B. Specifically, the Department of Energy will:**

1. Contract for operation of the armor manufacturing and development facilities at the INEEL to produce armor packages in accordance with technical requirements provided by the Abrams Program Office.
2. Where security ties to the DA are a factor, DOE will, upon written request from the PMO, arrange for purchase and delivery to Army-specified locations, of special, classified, material in final configuration, in accordance with specifications and drawings provided by DA. Acceptance of such material by DOE shall be based upon conformance to drawing requirements, and upon the vendors Certificate of Compliance for chemical and physical properties.
3. As requested by DA, assist in development of a systematic approach for disposing of all depleted uranium metal generated by the manufacturing process.
4. Maintain the TDP and issue revisions as directed by DA. Final approving authority of the TDP shall be the responsibility of DA.
5. Provide for purchase of, and maintain a program for, the protection, preservation, maintenance, repair and replacement of all Industrial Plant Equipment (IPE) and Operating Plant Equipment (OPE). For the purposes of this Agreement, IPE/OPE is defined as:

**INDUSTRIAL PLANT EQUIPMENT (IPE)** – Plant equipment with an acquisition cost of \$5,000 or more used for the purpose of cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating, or otherwise altering the physical, electrical, or chemical properties of materials, components or end items entailed in manufacturing, maintenance, supply, processing assembly or research and development operations.

**OPERATING PLANT EQUIPMENT (OPE)** – That part of plant equipment regardless of dollar value which is used in or in conjunction with the manufacture of components or end items relative to maintenance, supply, processing assembly or research and development operations, but excluding items categorized as IPE.

6. Obtain written approval from the DA for major repairs or replacements to IPE/OPE estimated to exceed a cost of \$100,000.
7. Preserve and provide disposition for any item of IPE/OPE which is to be prepared for lay-away or removed from service with final disposition to be determined by and for the account of DA.
8. Employ an incentive approach to production to improve operating efficiency and reduce product cost.
9. Develop and implement a Quality Assurance Program in accordance with established DOE policies. The Quality Plan will include applicable DA quality requirements and will be subject to review by DA.
10. Be responsible for the performance of examinations and tests as required by the TDP and special material specifications.
11. Certify that all final product units conform to TDP requirements.
12. Maintain certification records for all units and/or assemblies delivered to DA.
13. DOE is responsible for incorporating terms and conditions into the M&O Contract sufficient to accomplish the scope of work and requirements as provided by DA. DOE is responsible for selecting a contractor to perform the work and for ensuring that the contractor performs the work in accordance to the contract.
14. Transmit billings to: DFAS, St. Louis Operating Location  
ATTN: DFAS-SL-A, BLDG 110  
P. O. Box 20009  
4300 Goodfellow BLVD  
St. Louis, MO 63120-1798  
ATTN: Peggy Wells

#### **IV. OTHER WORK**

With PMO approval, DOE may perform other work in the armor facility on a non-interference basis with armor production, and may perform commercial work

on a rental basis in accordance with the Department of Energy Acquisition Regulations (DEAR) requirements.

## **V. FACILITIES AND EQUIPMENT**

For the purposes of this Agreement the word "Facilities" means:

Real property constructed for the Program, as well as fixtures required for the support of such facilities, except those herein defined as Industrial Plant Equipment (IPE) and Operational Plant Equipment (OPE).

DOE will retain title to and ownership of all "Facilities" as herein defined while title to all IPE and OPE shall vest in DA.

## **VI. PERIOD OF PERFORMANCE**

The Period of Performance for this Agreement shall be five (5) years from the date of signature of Addendum 5 by both parties. Both parties may extend the Period of Performance upon agreement.

## **VII. FINANCIAL MANAGEMENT**

DOE will provide such production, cost and financial reports as are mutually agreed to by the Abrams Program Manager and the DOE, Idaho Operations Office's SMC Program Office. The SMC Program Office shall support all requests for information to the extent that the information is available within existing DOE budgets, costs and financial systems.

### **A. REPORTING**

#### **1. MONTHLY**

- a. Current month and fiscal year-to-date financial data.
- b. Unit cost analysis to include future projections.
- c. Narrative analysis explaining deviations from baselines outside established thresholds.
- d. Monthly and cumulative production and R&D data and status of special procurements.

#### **2. Semi-Annually**

Five year funding profile

### **B. BUDGET INFORMATION**

1. An annual budget will be submitted to the Army for review and approval in early September for the following year.

2. A mid-year budget review will be held to provide status of current year spending.

**C. OTHER WORK**

Other work will be performed on a full cost recovery basis.

**VIII. SECURITY**

- A. DOE will provide security direction and oversight in accordance with all applicable DOE Orders, standards, policies, and procedures to provide protection consistent with the threat. DOE will also conduct inspections and surveys in accordance with DOE regulations.
- B. DOE will develop a security program based upon a Threat Statement provided by DA.
- C. DOE will use the Department of Army Special Access Program (SAP) Classification Guide and Procedures Guide or may use local guides based upon these and approved by DA.
- D. DOE will provide information copies of the following security-related documentation to DA and will obtain concurrence from DA as appropriate:
  1. Contracts, Orders, standards and criteria applicable to SMC operations
  2. Project specific procedures
  3. Local OPSEC Plan
  4. SMC Counterintelligence Support Plan
  5. ADP accreditation
  6. Schedule of planned inspections
  7. Reports of reviews and inspections
  8. Audits and closure activities
- E. DOE will invite DA participation in all security reviews and inspections.
- F. DA will provide Special Access billets for personnel determined by DOE to require access to the program(s).
- G. DOE will use a five (5) year reinvestigation period for personnel security clearances of personnel determined by DOE to require access to program(s) in lieu of the DOE policy of every ten (10) years
- H. a. If DOE is notified or otherwise made aware of derogatory information (as that term is defined under 10 CFR § 710.8 and relates to 18 USC sections 792-798, 2153, 2381, 2385, and 2387-2388 (SAEDA events)) relating to an accessed individual, a representative of the DOE-ID Security and Resources

Management Division (SRMD) will notify the DOE SMC Program Manager by the most expeditious means that such information exists. SRMD will provide the SMC Program Manager specific information concerning: (1) the derogatory information developed; and (2) any actions taken or anticipated with respect thereto. The DOE SMC Program Manager will notify the DA Program Security Manager (PSM) in accordance with SAP procedure guide.

b. If DA requests, DOE will allow DA PSM to review the subject's Personnel Security File for purposes of determining whether the subject's access to the SAP should be immediately suspended or otherwise limited pending final resolution of the derogatory information. Unless mutually agreed, copies of information in the subject's Personnel Security File will not be provided to DA. All information in this regard must be maintained by DA in a Privacy Act System of Records, and protected accordingly.

I. DOE will provide counterintelligence support. DOE will provide support through the INEEL Counterintelligence Office for implementation of the SMC Counterintelligence Plan. DA will provide support to DOE through the 902<sup>nd</sup> Counterintelligence Unit as deemed necessary.

## **IX. PROJECT OFFICERS**

### **FOR THE DA**

Project Manager  
Abrams Tank System  
PEO, GCSS  
Department of Army

### **FOR THE DOE**

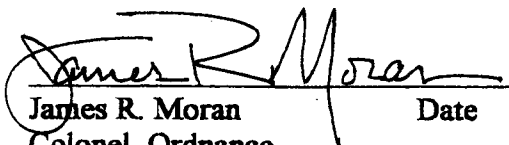
Program Manager  
SMC Program Office  
Idaho Operations Office  
U. S. Department of Energy

## **X. MODIFICATION**

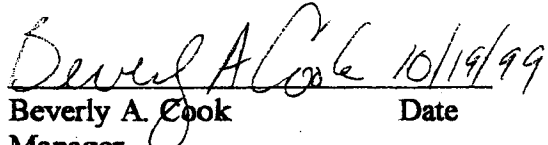
This Agreement may be modified at any time by mutual consent of the parties in writing.

## **XI. APPROVALS**

The signatories appearing below are fully authorized to represent and commit their respective agencies in the execution of this addendum.

  
James R. Moran  
Colonel, Ordnance  
Project Manager  
Abrams Tank System

Date

  
Beverly A. Cook  
Manager  
Idaho Operations Office  
U. S. Department of Energy

Date